HLS 99-2187 ENGROSSED

Regular Session, 1999

HOUSE BILL NO. 497

BY REPRESENTATIVES DEWITT AND CRANE

WORKERS COMPENSATION: (Constitutional Amendment) Provides methods for dissolution or sale of Louisiana Workers' Compensation Corporation

A JOINT RESOLUTION

Proposing to amend Article XII, Section 8.1(A) of the Constitution of Louisiana, to provide for the continuing existence of the Louisiana Workers' Compensation Corporation; to provide for the authority to dissolve the corporation; to provide that the corporation shall not be sold; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article XII, Section 8.1(A) of the Constitution of Louisiana, to read as follows:

§8.1. Workers' Compensation

Section 8.1.(A) Authorization. (1) Notwithstanding any other provision of this constitution to the contrary, and subject to the conditions contained in this Section, the legislature by law may create a private, nonprofit corporation to provide worker's workers' compensation insurance and to deliver related services as provided by law. Once created, this private corporation may not be dissolved or

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.

1	otherwise terminated by the repeal of the statutes enabling its creation
2	or by the passage of other legislation providing for its dissolution or
3	termination.
4	(2) Exclusive power to dissolve or otherwise terminate the
5	corporation shall rest solely with the commissioner of insurance or the
6	corporation's policyholders. Such dissolution or termination shall be
7	in accordance with law.
8	(3) The corporation shall not be sold, nor shall ownership or
9	control be transferred.
10	(4) The corporation shall not be subject to any legislation
11	directed exclusively at the corporation which impairs the corporation's
12	ability to provide a competitive market for workers' compensation
13	insurance to Louisiana employers.
14	* * *
15	Section 2. Be it further resolved that this proposed amendment shall be
16	submitted to the electors of the state of Louisiana at the gubernatorial primary
17	election to be held in 1999.
18	Section 3. Be it further resolved that on the official ballot to be used
19	at said election there shall be printed a proposition, upon which the electors
20	of the state shall be permitted to vote FOR or AGAINST, to amend the
21	Constitution of Louisiana, which proposition shall read as follows:
22	To provide that, once created, the Louisiana Workers'
23	Compensation Corporation may not be dissolved by repeal of its
24	statutes or the passage of other legislation; to provide that the
25	insurance commissioner or the policyholders shall have the
26	exclusive authority to dissolve or otherwise terminate the

corporation; to provide that the corporation shall not be sold nor shall ownership or control be transferred; to provide that to the extent the corporation is like any other workers' compensation carrier, it shall be treated the same under the law. (Amends Article XII, Section 8.1(A))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

DeWitt, Crane HB No. 497

<u>Present constitution</u> authorizes the legislature to create a private, nonprofit corporation to provide workers' compensation insurance and related services.

<u>Proposed constitutional amendment</u> retains the <u>present constitutional</u> authorization and provides for the exclusive methods of dissolution or sale of the corporation. <u>Proposed constitutional amendment</u> also prohibits the enacting of legislation applicable solely to the corporation which would impair its ability to provide Louisiana employers with a competitive workers' compensation insurance market.

Provides for submission of the proposed amendment to the voters at the gubernatorial primary election in 1999.

(Amends Const. Art. XII, §8.1(A))

Summary of Amendments Adopted by House

Committee Amendments Proposed by <u>House Committee on Labor and Industrial Relations</u> to the <u>original</u> bill.

1. Deletes the provision which would allow the corporation to be sold with prior consent of the legislature.